

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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In Reply To:

3100 (922.JB) P

March 30, 2004

Instruction Memorandum No. MT-2004-050

Expires: 9/30/2005

To: State Management Team

From: State Director

Subject: Oil and Gas Leasing Stipulations

DD: 4/30/04

As part of the effort to integrate the findings of the Energy Policy and Conservation Act (EPCA) inventories into our oil and gas program, the Washington Office (WO) issued Instruction Memorandum (IM) No. 2003-233 (Attachment 1) requesting that States review all current oil and gas lease stipulations in use. The existing Statewide lease stipulations package is found in IM No. MT-90-220, Change 2 (Attachment 2). This IM presented revised and clarified resource protection stipulations that are to be used to mitigate impacts from oil and gas activities and guidance on presenting and analyzing stipulations in the RMP process. Please note that the existing guidance in the IM on presenting and analyzing stipulations is not being addressed. Attachment 1 to that IM contains the complete list of stipulations that are to be used in land use plans in Montana.

We are looking for comments on the existing package either as to stipulations that need revisions or those that should be deleted. This would include revisions to the stipulation languages, objective language, and to the language for the waiver, exception, and modifications (WEMs) attached to each stipulation. Finally, if new stipulations are required please consider and include language for the WEMs.

A stipulation is subject to WEM only if the Field Manager determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or if the proposed operations would not cause unacceptable impacts. However, in addition to traditionally providing operators more operational flexibility, "Modification" criteria can be developed and incorporated into the RMP to allow for increasing the level of environmental protection when changing circumstances warrant. We would like you to consider this approach during your review.

Stipulations must be appropriate and effective. They should clearly state their intention and should impose the least restrictive mitigation needed to accomplish the desired protection. Stipulations should not be duplicative of Section 6 of the Standard Lease Terms.

Finally, they must be written in the uniform format (Attachment 3) as are the present stipulations. Please refer to WO IM No. 2003-233 (Attachment 1) when considering any changes to our existing package of stipulations. Also, please briefly note any new research that would justify changes to existing stipulations. Any changes to the existing stipulation package would be implemented through plan maintenance when possible and in new RMPs.

Please review the attached IM and offer any comments or suggestions for review by this office by April 30, 2004. We will review any comments or suggestions and plan on discussing them at the EPCA workshop scheduled for May 11 and 12, 2004.

If you have any questions, please contact John Bown at (406) 896-5109.

Signed by: A. Jerry Meredith, Acting

Authenticated by: Kathy Ray

3 Attachments

- 1-IM No. WO-2003-233 (14 pp in its entirety)
- 2-IM No. MT-90-220, Change 2 (30 pp in its entirety)
- 3-Uniform Format for Oil and Gas Lease Stipulations (18 pp)

Distribution

Asst. FM, Glasgow

Asst. FM, Havre